

## **3222 – SALES OF FOREST PRODUCTS – POLICY AND PROCEDURE**

**THE LANGUAGE USED IN THIS DOCUMENT DOES NOT CREATE AN EMPLOYMENT CONTRACT BETWEEN THE EMPLOYEE AND THE AGENCY. THIS DOCUMENT DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS. THE AGENCY RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS DOCUMENT, IN WHOLE OR IN PART. NO PROMISES OR ASSURANCES, WHETHER WRITTEN OR ORAL, WHICH ARE CONTRARY TO OR INCONSISTENT WITH THE TERMS OF THIS PARAGRAPH CREATE ANY CONTRACT OF EMPLOYMENT.**

### **POLICY**

As part of the multiple use forest resource management concept upon which South Carolina Forestry Commission lands are sustainably managed, it is the policy of the South Carolina Forestry Commission to conduct forest products sales. All sales will be conducted in accordance with state and federal laws and regulations.

The Commissioners shall:

1. Approve annual harvest plans (acres) and minimum revenue projections (gross dollars)
2. Receive reports of sales based on aggregate information

### **PROCEDURE**

3222.1 Forest products sales conducted on state forests will be handled by the forest director. Forest products sales conducted on other South Carolina Forestry Commission holdings will be conducted by supervisory personnel as designated by the deputy state forester.

- A. Each state forest will maintain and keep an updated email list of buyers to whom bid invitations will be sent. Bid invitations and inclusion to the buyers' list will be available to anyone upon request.

3222.2 Forest directors and authorized supervisors will confer with the state lands coordinator to utilize current standardized forest products sales procedures. Weight tickets for per-unit sales of forest products will be verified and retained at each location within the sale file pending audit inquiry.

3222.3 Payment will be by company check or cashier's check, payable to the South Carolina Forestry Commission. The forest director or authorized supervisor will deposit receipts in a local bank, which has been approved by the state treasurer's office. Numerical receipt slips, receipt spreadsheets, bank deposit slips, validated bank receipts and copies of contracts will be prepared by the forest director or authorized supervisor for each deposit and sent to the accounting supervisor at the Columbia headquarters. The accounting technician will record all transactions and send required documents to the state treasurer's office. All payments are recorded in the contract reconciliation book. Deposits for all contracts are reconciled to the total amount.

3222.4 Performance bonds are required for all forest products sales and held in a non-interest-bearing account.

- A. Performance bonds will range in amount from \$500 to \$15,000, depending on complexity of sale. The forest director or authorized supervisor will determine performance bond amount based on number of acres, number of stands, sight operability, potential for damage, etc.
- B. A written request for refund of a performance bond must be obtained from the buyer prior to refund of the performance bond.
- C. The written request along with a letter from the forest director or authorized supervisor will be sent to the accounting technician for submission of refund.

3222.5 At the discretion of the forest director, authorized supervisor, and/or Columbia staff, earnest money may be required with the bid. Earnest money will be applied to the successful bidder's amount due or forfeited if bidder fails to complete the contract. Unsuccessful bidder's money will be returned.

3222.6 Forest products sales will be identified by the following:

- A. Location
- B. Perpetuity Number
- C. Negotiated or Advertised
- D. Type Products Sold

E. Fiscal Year

1. Location should be abbreviated as SHSF, MSF, HSF, NSO, etc. The perpetuity number will be continuous for the location where the sale is made. The terms "Negotiated" or "Advertised" will be abbreviated as NEG or ADV, and type of products sold will also be abbreviated as Timber Sales-TS, Pine Straw-PS, Stump Sales-SS, etc.
2. For example: Assuming that the last existing sale at Sand Hills State Forest was a pine straw sale with perpetuity number 598. The next sale is a negotiated sale of timber awarded on February 10, 1994. This sale would be identified as follows: SHSF 599 NEG TS 94.

3222.7 All correspondence and contracts shall be on official South Carolina Forestry Commission letterhead

3222.8 Negotiated Sales

- A. Utilize standardized current approval format
- B. Negotiated sales must be approved or rejected by state lands coordinator
  1. Limit of \$25,000 max per contract
  2. If sale is of an emergency nature, e.g., damages to timber by storm, insects, disease, or fire creating a need for emergency salvage there is no maximum limit of value; but the sale value must be deemed appropriate by the state forest director or authorized supervisor and approved by the state lands coordinator.

3222.9 Advertised Bid Sales

- A. Utilize standardized invitation to bid template
- B. State forest director or authorized supervisor should email invitation to bid to potential buyers and Bcc to state lands coordinator, forest management chief, deputy state forester, state forester, and commissioners.
- C. All invitations to bid should be placed in South Carolina Business Opportunities (SCBO)
- D. Bid should remain open a minimum of 3 weeks for buyer evaluations
- E. Standard information provided to buyers:
  1. Type of harvest
  2. Total acreages
  3. Total volumes (only)
  4. Site restrictions
  5. Site operability
  6. Potential of specialty products (as deemed necessary)
  7. Maps

3222.10 Once the sale closes

- A. State forest director or authorized supervisor should email sale results to all buyers and Bcc to state lands coordinator, forest management chief, deputy state forester, state forester, and commissioners.
- B. State forest director or authorized supervisor should email sale recommendation to state lands coordinator for concurrence of recommendation utilizing the standardized timber evaluation format and Forest2Market or Timber Mart-South references.
- C. State lands coordinator should email recommendation to deputy state forester or his designee for concurrence of recommendation.
- D. State forest director or authorized supervisor should email appropriate standardized forest products sales contract to state lands coordinator for review. State lands coordinator witnesses (signature) contract and submits contract to state forester for signature. Contract is then returned to the state lands coordinator who then returns it to the state forest director or authorized supervisor to be executed.

3222.11 Biannually reporting to the commissioners (midyear & yearend).

- A. State forest director or authorized supervisor provides information to the state lands coordinator upon request in the designated format.
- B. The state lands coordinator enters all information into data collection system and produces the reporting document to include:
  1. Summarized YTD state forest products sales in aggregated terms
  2. Summarized YTD fiscal situation of state forest system
  3. Summarized YTD percent accomplished goals